

ORDER NO. 1376

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton;
Tony Hammond; and
Robert G. Taub

Competitive Product Prices
Global Expedited Package Services 3 (MC2010-28)
Negotiated Service Agreement

Docket No. CP2012-35

NOTICE AND ORDER CONCERNING AN ADDITIONAL
GLOBAL EXPEDITED PACKAGE SERVICES 3 CONTRACT

(Issued June 22, 2012)

I. INTRODUCTION

Notice of filing. On June 21, 2012, the Postal Service filed a notice announcing that it is entering into an additional Global Expedited Package Services (GEPS) 3 contract.¹ The Notice was filed in accordance with 39 CFR 3015.5. Notice at 1.

Background. Customers for GEPS contracts are small- or medium-size businesses that mail products directly to foreign destinations using Express Mail International, Priority Mail International, or both. *Id.* at 4. Governors' Decision No. 08-7

¹ Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package Services 3 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, June 21, 2012 (Notice).

(as GEPS 1) established prices and classifications not of general applicability for GEPS contracts. *Id.* at 1. A grouping for GEPS 3 contracts was later added to the competitive product list as an outcome of Docket Nos. MC2010-28 and CP2010-71. The contract filed in Docket No. CP2010-71 was designated as the baseline agreement for purposes of establishing whether subsequent agreements proposed for inclusion within the GEPS 3 grouping are functionally equivalent. *Id.* at 1-2.

Contents of filing. The filing includes a Notice, along with attachments; material filed under seal (consisting of the contract and supporting documents); and Excel spreadsheets. In the Notice, the Postal Service asserts that the instant contract and the baseline contract are functionally equivalent because they share similar cost and market characteristics. *Id.* at 3. It notes that the pricing formula and classification established in the controlling Governors' Decision No. 08-7 ensure that each GEPS contract meets the criteria of 39 U.S.C. 3633 and related regulations. *Id.* The Postal Service identifies differences between the instant contract and the baseline contract, but asserts that the differences do not affect either the fundamental service being offered or the fundamental structure of the contract. *Id.* at 3-6. The Postal Service also addresses pertinent Mail Classification Schedule matters. *Id.* at 3. It states that, based on the discussion in its Notice and the financial data provided under seal, the instant GEPS 3 contract is in compliance with the requirements of 39 U.S.C. 3633 and is functionally equivalent to the baseline contract, and therefore should be added to the GEPS 3 product grouping.

Supporting attachments include:

- Attachment 1—a redacted copy of the instant contract;
- Attachment 2—the related certification required under 39 CFR 3015.5(c)(2);
- Attachment 3—a redacted copy of Governors' Decision No. 08-7 (including attachments thereto); and
- Attachment 4—an application for non-public treatment of the contract and certain supporting materials.

Expiration. The agreement is set to expire one year after the Postal Service notifies the customer that all necessary approvals and reviews of the agreement have been obtained, including a favorable conclusion by the Commission. *Id.*

II. COMMISSION ACTION

The Commission establishes Docket No. CP2012-35 for consideration of matters raised in the Notice. Interested persons may submit comments on whether the Postal Service's contract is consistent with the policies of 39 U.S.C. 3632 and 3633. Comments are due no later than June 29, 2012. The public portions of the Postal Service's filing can be accessed via the Commission's website at <http://www.prc.gov>.

The Commission appoints Derrick D. Dennis to represent the interest of the general public (Public Representative) in this case.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. CP2012-35 for consideration of matters raised in the Postal Service's June 21, 2012 Notice.
2. Pursuant to 39 U.S.C. 505, the Commission designates Derrick D. Dennis to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this case.
3. Comments by interested persons are due no later than June 29, 2012.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams
Acting Secretary